

against delinquent companies for contravention of its directions by prohibiting the concerned companies from accepting further deposits and launching prosecution proceedings against them in courts of law. Reserve Bank of India has further reported that 208 companies (mainly residuary non-banking companies) have been prohibited from accepting further deposits for violation of the directions. It, however, cannot enforce repayment of deposits and payment of interest thereon and the remedy left to the depositors is to enforce the contract in a court of law, acceptance of deposits being a civil contract. As and when complaints regarding non payment of principle and interest is received by RBI/ Government, complainants are advised accordingly.

Import Duty on Titanium Dioxide

4362. SHRI T. GOVINDAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have received the request of the State Government of Kerala regarding withdrawal of reduction in import duty of Titanium Dioxide; and

(b) if so, the action taken or proposed to be taken by the Union Government thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) In the Budget for 1996-97, the basic customs duty on all chemicals was reduced from 50% to 40% or lower in some cases. In respect of titanium dioxide the reduction in customs duty was from 50% to 40%. The request of Government of Kerala in this regard will be considered as a part of the budget exercise for 1997-98.

[Translation]

Small Scale Industries

4363. PROF. PREM SINGH CHANDUMAJRA :
SHRI NAWAL KISHORE RAI :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item appearing in Daily Observer dated November 18, 1996 under the caption "A fluidly vague Small Scale Sector";

(b) if so, whether 40% production of the total output is produced by the small industries in the country besides 34% of its share in the total export and providing employment to 1 crore 50 lakh people;

(c) if not, the estimate of the Government in this regard;

(d) whether the Government have also evaluated the amount of capital investment in small scale sector;

(e) if so, the details thereof alongwith amount invested therein; and

(f) the total number of units of small scale sector functioning by the end of March, 1996 in the country?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) and (c). As per Government estimates, share of production of SSI Sector was 41.27% out of total industrial production in the country during 1994-95. SSI Sector accounted for 35.15% of the total direct exports during 1994-95. An estimated 1.53 crore persons were employed in SSI sector till 1995-96.

(d) and (e). The data on investment in SSI sector is collected only through Sample Surveys/Census. The latest information available relates to reference year 1987-88, which was collected through 2nd All India Census of registered SSI units. According to this, the capital invested in registered SSI Sector was Rs. 9296 crores.

(f) Total number of SSI units functioning by the end of March, 1996 is not available. However, as per Second All India Census of SSI units conducted with reference year 1987-88, 5.82 lakhs SSI units were found functioning out of a total of 9.87 lakh registered SSI units by 31st March, 1988.

[English]

Foreign Exchange Reserves

4364. SHRI MADHAVRAO SCINDIA : Will the Minister of FINANCE be pleased to state :

(a) whether the foreign reserves position has suffered considerable erosion during the past few months;

(b) if so, the comparative foreign exchange reserve position as on 1st April and July 1996 and the likely position on First January and April 1997; and

(c) the reasons for the erosion?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. The foreign exchange reserves position has improved in recent months.

(b) The foreign exchange reserves, comprising foreign currency assets of the RBI, gold and SDRs rose from US \$ 21, 687 million at the end of March 1996 to US\$ 22,091 million at the end of June 1996 and further to US\$ 23796 million on November 29, 1996. The foreign exchange reserves position on future dates will depend upon several factors, such as the net inflow or outflow of funds on account of the external transactions put through the RBI, developments of the current and capital accounts of the balance of payments and the demand and supply conditions in the foreign exchange market, which are difficult to predict with certainty.

(c) Does not arise.